

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Department Appropriation / Program Summary

Appropriation / Program		Historical Data						Agency Request and Executive Recommendation							
		2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
057	Smart Start/Step	6,461,815	0	6,461,815	0	12,263,248	0	7,181,815	0	7,181,815	0	7,181,815	0	7,181,815	0
082	English Language Learners	4,637,250	0	3,736,795	0	8,741,400	0	4,852,000	0	4,934,138	0	5,242,000	0	5,392,180	0
088	At Risk	1,366,344	0	1,490,500	0	1,500,000	0	1,490,500	0	1,490,500	0	1,490,500	0	1,490,500	0
091	Spec Ed-Catastrophic	1,000,000	0	8,800,000	0	9,800,000	0	8,800,000	0	8,800,000	0	8,800,000	0	8,800,000	0
094	Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108	Tech Improvements	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
119	Tech Grants	1,599,108	0	1,602,678	0	2,187,575	0	1,602,678	0	1,602,678	0	1,602,678	0	1,602,678	0
136	Distressed District	163,473	0	300,000	0	160,000	0	300,000	0	300,000	0	300,000	0	300,000	0
150	Home Sch Test	50,000	0	50,000	0	50,000	0	150,000	0	100,000	0	150,000	0	100,000	0
1PS	Non-Trad Licensure	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV	Content & Curriculum	0	0	0	0	0	0	100,000	0	100,000	0	0	0	0	0
1XE	Economic Education	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
2GP	Leadership Academy	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2HP	St Foundation Fund	0	0	1,735,000,000	0	1,760,751,092	0	1,735,000,000	0	1,749,525,788	0	1,735,000,000	0	1,751,953,814	0
2HR	Natl School Lunch	0	0	133,420,320	0	132,146,400	0	133,420,320	0	135,951,822	0	133,420,320	0	137,877,451	0
2HS	Prof Develop Fund	0	0	22,419,371	0	22,251,515	0	22,419,371	0	22,419,371	0	22,419,371	0	22,419,371	0
2HT	Teacher Housing Dev	200,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
2HU	Supplemental Millage	0	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX	Distance Learn Oper	0	0	5,831,400	0	5,831,400	0	5,831,400	0	5,831,400	0	5,831,400	0	5,831,400	0
2HY	Educ Renewal Zones	0	0	1,997,230	5	1,997,230	5	2,010,260	5	2,010,260	5	2,018,332	5	2,018,332	5
2HZ	Academic Improv Trng	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2JA	Content Standards	0	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JB	Intensive School Sup	0	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0
2JC	Teacher Recruitment	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2KW	Secondary Vocational Area Cntrs	0	0	0	0	0	0	10,475,000	0	10,671,523	0	11,512,000	0	11,873,086	0
311	Alternative Learning	2,999,897	0	19,100,000	0	18,914,438	0	19,100,000	0	19,459,531	0	19,100,000	0	19,733,014	0
326	Gen Fac Funding	9,010,621	0	8,108,762	0	18,115,181	0	8,108,762	0	8,108,762	0	8,108,762	0	8,108,762	0
331	Isolated Funding	8,048,522	0	7,896,000	0	17,776,387	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332	Student Growth	32,801,338	0	38,849,946	0	64,291,748	0	38,849,946	0	39,578,440	0	38,849,946	0	40,132,581	0
336	Debt Srvs Funding	27,607,670	0	27,464,629	0	57,035,288	0	27,464,629	0	27,464,629	0	27,464,629	0	27,464,629	0
380	Dept of Correction	4,027,675	0	4,027,675	0	4,037,222	0	5,016,305	0	5,016,305	0	5,016,305	0	5,016,305	0

DEPARTMENT OF EDUCATION - 0500

Dr. Ken James, Director

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

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		2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
394	Res Ctrs/Juv Detent	8,686,108	0	8,686,108	0	8,767,108	0	11,384,482	0	11,384,482	0	11,384,482	0	11,384,482	0
421	Consol Incentive	1,888,568	0	1,520,000	0	3,000,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0
425	Pygmalion Comm	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0
434	Coop Educ Tech Ctrs	750,000	0	750,000	0	750,000	0	800,000	0	750,000	0	800,000	0	750,000	0
437	Teacher Ret Match	3,512,765	0	4,200,000	0	3,515,000	0	0	0	0	0	0	0	0	0
438	Natl Bd Prof Teach	866,711	0	1,420,000	0	874,000	0	2,180,000	0	2,180,000	0	2,680,500	0	2,680,500	0
440	Adv Place Incentive	575,000	0	575,000	0	575,000	0	575,000	0	575,000	0	575,000	0	575,000	0
441	Safety Training	744,121	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
444	Crim Bckgrnd Checks	52,956	0	125,000	0	200,000	0	125,000	0	125,000	0	125,000	0	125,000	0
445	AR Easter Seals	193,113	0	193,113	0	193,113	0	221,989	0	221,989	0	221,989	0	221,989	0
446	Pub Sch Emp Ins	877,976	0	1,106,500	0	1,203,500	0	0	0	0	0	0	0	0	0
447	Sch Food Services	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0
450	Surplus Commodities	630,000	0	630,000	0	630,000	0	630,000	0	630,000	0	630,000	0	630,000	0
451	Grants to Sch Distr	46,958	0	35,000	0	47,000	0	35,000	0	35,000	0	35,000	0	35,000	0
452	Worker's Comp	0	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454	Sch Food-Leg Audit	78,390	0	75,000	0	100,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457	Gifted & Talented	1,292,096	0	1,292,896	0	1,292,896	0	1,292,896	0	1,292,896	0	1,292,896	0	1,292,896	0
458	Sch Worker Defense	326,392	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0
459	Assess/End Level Testing	4,612,737	0	21,610,250	0	24,413,258	0	21,610,250	0	21,610,250	0	23,662,747	0	23,662,747	0
460	Court Ordered Deseg	53,818,593	0	57,012,500	0	89,600,000	0	58,660,966	0	58,660,966	0	60,388,078	0	60,388,078	0
565	Intervention Blk Grn	132,000	0	132,000	0	632,000	0	132,000	0	132,000	0	132,000	0	132,000	0
566	Serious Offender	806,000	0	724,000	0	807,000	0	828,056	0	828,056	0	828,056	0	828,056	0
652	Better Chance Prgm	11,604,815	0	51,166,500	0	53,410,500	0	51,166,500	0	51,166,500	0	51,166,500	0	51,166,500	0
668	Spec Educ Services	4,101,887	0	4,145,285	0	4,220,285	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0
669	Human Dev Ctr Ed Aid	526,150	0	526,150	0	663,000	0	526,150	0	526,150	0	526,150	0	526,150	0
670	Educ Service Coops	4,929,270	0	5,839,270	0	4,929,270	0	8,691,130	0	8,691,130	0	8,691,130	0	8,691,130	0
688	APSCN	9,222,918	36	11,756,669	45	11,781,465	45	14,734,607	45	14,734,607	45	14,833,644	45	14,833,644	45
697	Early Childhood Spec	6,270,459	0	7,498,454	0	6,298,454	0	8,700,000	0	8,700,000	0	10,000,000	0	10,000,000	0
698	Distance Learning	3,497,693	0	3,500,000	0	1,000,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0
699	Teacher Licen/Mentor	5,361,237	0	5,902,258	0	8,299,000	0	5,902,258	0	5,902,258	0	5,902,258	0	5,902,258	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Department Appropriation / Program Summary

Historical Data						Agency Request and Executive Recommendation									
Appropriation / Program		2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
NOT REQUESTED FOR THE BIENNIUM															
063	Smart Start Promo	0	0	0	0	50,000	0	0	0	0	0	0	0	0	0
141	Poverty Index	4,696,329	0	0	0	8,500,000	0	0	0	0	0	0	0	0	0
155	Rev Loss Fund	3,762,789	0	0	0	4,000,000	0	0	0	0	0	0	0	0	0
2GB	Consolidation Assist	0	0	0	0	0	0	0	0	0	0	0	0	0	0
335	Add Base Funding	49,502,397	0	0	0	48,557,770	0	0	0	0	0	0	0	0	0
422	Incentive Funding	30,281,930	0	0	0	28,373,000	0	0	0	0	0	0	0	0	0
423	St Equal Funding	1,453,627,594	0	0	0	1,595,570,000	0	0	0	0	0	0	0	0	0
664	Math & Science School	2,638,695	70	0	0	5,621,007	70	0	0	0	0	0	0	0	0
Total		1,773,593,360	106	2,235,455,074	50	4,074,199,750	120	2,255,981,555	50	2,274,305,531	50	2,262,995,773	50	2,286,733,633	50

Funding Sources			%		%			%		%		%		%
Fund Balance	4000005	10,757,764	0.6	32,945,130	1.5		6,842,490	0.3	6,842,490	0.3	6,842,490	0.3	3,607,600	0.2
General Revenue	4000010	1,587,868,208	87.9	1,587,868,208	70.8		1,615,377,763	71.4	1,618,713,896	71.1	1,620,664,869	71.4	1,623,575,052	70.9
Court Ordered Desegregation	4000180	53,818,593	3.0	32,800,000	1.5		58,660,966	2.6	58,660,966	2.6	60,388,078	2.7	60,388,078	2.6
Dist Learning Operating Grants	4000190	0	0.0	5,831,400	0.3		0	0.0	0	0.0	0	0.0	0	0.0
Educational Adequacy Fund	4000210	700,000	0.0	421,513,197	18.8		421,513,197	18.6	421,513,197	18.5	421,513,197	18.6	421,513,197	18.4
Education Coop Teacher Bonus	4000215	0	0.0	910,000	0.0		0	0.0	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	157,705,811	8.7	163,399,629	7.3		163,399,629	7.2	175,152,582	7.7	163,399,629	7.2	182,741,632	8.0
Excise Tax on Beer	4000230	8,100,000	0.4	8,100,000	0.4		8,100,000	0.4	8,100,000	0.4	8,100,000	0.4	8,100,000	0.4
Transfer DOE Public School Fund	4000525	(15,361,989)	(0.9)	(11,115,000)	(0.5)		(11,115,000)	(0.5)	(11,115,000)	(0.5)	(11,115,000)	(0.5)	(11,115,000)	(0.5)
Transfer from General Imprv	4000540	15,103	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0
Trnsfr DOE Public School Fund	4000625	3,800,000	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0
Transfer to General Education	4000630	(865,000)	0.0	(865,000)	0.0		(865,000)	0.0	(865,000)	0.0	(865,000)	0.0	(865,000)	0.0
Transit Tax	4000700	0	0.0	910,000	0.0		910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Funding Sources		%		%			%		%		%		%
Total Funds	1,806,538,490	100.0	2,242,297,564	100.0		2,262,824,045	100.0	2,277,913,131	100.0	2,269,838,263	100.0	2,288,855,559	100.0
Excess Appropriation/(Funding)	(32,945,130)		(6,842,490)			(6,842,490)		(3,607,600)		(6,842,490)		(2,121,926)	
Grand Total	1,773,593,360		2,235,455,074			2,255,981,555		2,274,305,531		2,262,995,773		2,286,733,633	

Actual Expenditures for FY04 and FY05 Budget amounts exceed Authorized due to special language which provides Appropriation Transfer authority.

The appropriation for the Math & Science School was transferred to the University of Arkansas- Fayetteville by Act 1305 of 2003.

FY05 Budget for Distressed District exceeds Authorized amount due to transfer authority provided DOE in Section 12 of Act 51 of 1st Extraordinary Session of 2003.

Analysis of Budget Request

Appropriation / Program: PSF - Public School Fund

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY05, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.588 billion, the Educational Excellence Trust Fund will provide \$163.4 million, and the Educational Adequacy Fund will provide \$421.5 million.

The following discussion summarizes the fiscal status and Change Level Requests for each program in the Department of Education Public School Fund.

Smart Start/Smart Step Assessment - The Smart Start program is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. Since its inception in FY00, this program has been expanded to include Smart Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-8 educators through statewide conferences, regional workshops and satellite delivered meetings. K-8 schools are also provided a variety of resources including professional books and videos.

Base Level is \$6,461,815 each year. Change Level requests total \$720,000 in each year.

The additional appropriation and funding will provide for an increase of \$10,000 in grants to Educational Services Cooperatives to employ 72 Math and Literacy Specialist. Due to the state funded salary being lower than that paid at the local school districts there is a large turnover in personnel. This will become more of an issue with the new state minimum salary schedule for certified staff. Also, the state funded positions are twelve-month positions while most school district positions are on a nine-month contract. The increase will enable the State to compete for well-qualified applicants.

The Executive Recommendation provides for the Agency Request.

English Language Learners - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves 151 school districts enrolling over 19,000 students from homes where a language other than English is spoken. Of these 19,000 students, over 12,000 have been assessed as limited in their English proficiency. A.C.A. §6-20-2005(3)(A) states that for the 2005-2005 school year English language learners funding shall be \$195 for each identified English language learner.

Base Level is \$3,736,795 each year. Change Level requests total \$1,115,205 for FY06 and \$1,505,205 for FY07.

The Change Level is necessary to fund English language learners at \$195 per ADM and provide specialized training to those teachers that work with the students. Students with limited English proficiency are projected to increase by 2,000 per year.

The Executive Recommendation provides for the Agency Request plus an additional \$82,138 for FY06 and \$150,180 for FY07.

At Risk - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT and the cost is covered by the program. This is a special administration of the ACT for the students who have successfully completed the CPEP program. Over the last several years, the program has enrolled about 4,000 students, of the students who enrolled about 3,000 complete the program and take the ACT. Those students who completed the course have raised their scores about 2.6 points on the average.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Special Education - Catastrophic - A.C.A. §6-20-323 provides a mechanism to fund occurrences where special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Youth Shelters - The Department of Human Services-Division of Youth Services operates 18 youth shelters with approximately 350 beds. Students are placed in these facilities by juvenile courts and attend school in the district where the facility is located. This program partially reimburses those school districts for the additional costs of providing educational services to these juveniles.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Technology Improvements - These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system. The technology improvement grants and resources

provided through this appropriation affect virtually every district in the state.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Technology Grants - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the EAST Initiative and Explore Net. The EAST program has received high praise from local school administrators and parents as well as national recognition. Schools in six other states have adopted the program and a National Training Center has been established in Little Rock for training facilitators from these states as well as Arkansas Teachers and Students. Last year over 2,000 teachers and students from seven states attended the National EAST Conference in Little Rock.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Distressed School District Support - The Arkansas Academic Distress Program was legislated by Act 915 of 1995. The purpose of this act is to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Home School Testing - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education. Home school enrollment continues to increase each year from 12,497 students in 2002-03 to 13,163 in 2003-04.

Base Level for the 2005-2007 biennium is \$50,000 each year. The Agency Request is for an additional \$100,000 each year.

Home school testing has been expanded from 3 grades to 6 grades and the Department must purchase new testing booklets for the additional grades.

The Executive Recommendation provides for \$50,000 each year in appropriation and funding.

Non-Traditional Licensure Grants - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals, that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Content Standards and Curriculum Frameworks Revision - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics. This is a biennial appropriation and base level is \$100,000 in FY 2006 and \$0 in FY2007. Any remaining appropriation on June 30, 2006 will be carried forward to FY 2007.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Economic Education - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Arkansas Leadership Academy - The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. The program provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

State Foundation Funding - State foundation funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts.

State foundation funding is computed as the difference between the foundation funding amount established by the General Assembly (\$5,400 times the average daily membership of the previous school year) and the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 75% of miscellaneous funds of the school district.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level plus an additional \$14,525,788 for FY06 and \$16,953,814 for FY07.

National School Lunch Student Funding - Funding for national school lunch students shall be based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act identified on the Arkansas public school computer network cycle two report.

For the 2004-2005 school year, national school lunch student funding for each identified national school lunch student is as follows:

For school districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,440;

For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$960; and

For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$480.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level plus an additional \$2,531,502 for FY06 and \$4,457,131 for FY07.

Professional Development Funding - This aid is provided to school districts for professional development activities. Professional development shall result in individual, school-wide, and system-wide improvement designed to ensure that all students demonstrate proficiency in the state academic standards. Professional development funding for the 2004-05 school year shall be equal to \$50 times the district's previous year average daily membership (A.C.A. §6-20-2005 (b)(4)(B)).

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Arkansas Teacher Housing Development Foundation - This appropriation provides an operating grant to the Arkansas Teacher Housing Development Foundation. The purpose of the foundation is to facilitate the development of affordable housing for high-performing teachers in high-priority school districts and to provide housing incentives to encourage high-performing teachers to relocate to high-priority districts.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Supplemental Millage Incentive Funding - A.C.A. §6-20-2006 states that the state shall provide supplemental funds to qualified school districts that increase total school district millage in excess of the 25 mills in accordance with Amendment 74 to the Arkansas Constitution and that elect to receive the funds in lieu of funds available under §6-20-2004 and §6-20-2005.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Distance Learning Operating Grants - These grants provide funding for education cooperatives for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for each school district to have two-way interactive television for distance learning education. The primary purpose of providing distance learning technologies is to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Academic Improvement Training - This appropriation is for the cost of providing statewide training to Local Education Agencies (LEA's) on the preparation and analysis of Academic Improvement Plans. An Academic Improvement Plan is a plan detailing supplemental or intervention and remedial instruction, or both, in deficient academic areas for any student who is not proficient on a portion or portions of the state mandated criterion-reference assessments.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Content Standards Revision - This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Intensive School Support - Section 5 of Act 35 of the 2nd Extraordinary Session of 2003 adds A.C.A. §6-15-1801 et seq. which requires: public schools to determine in part each students progress from one grade to another based upon proficiency in reading writing and mathematics; District school board policies facilitate such proficiency; and each student and his or her parent be informed of the students academic progress. ACA 6-15-1808 requires: the Department of Education to provide technical assistance as needed to aid school districts in administering this subchapter; The Department of Education shall report to the House Interim Committee on Education and the Senate Interim Committee on Education, at least semi-annually, the districts requesting assistance, the date of the requests, the dates and actions taken; and the results of the action taken or assistance provided.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

High-Priority District Teacher Recruitment - Act 101 of the 2nd Extraordinary Session of 2003 added ACA 6-17-811 to provide a system of incentives for teacher recruitment and retention in high priority districts. A "High-Priority District" is one that has 1,000 or fewer students in which 80% or more of public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive in addition to all other salary and benefits bonus payments as specified by law.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Secondary Vocational Area Centers - This new line item appropriation is requested for the 2005-2007 biennium (\$10,475,000 in FY06 and \$11,512,000 in FY07). Act 59 of the Second Extraordinary Session of 2003 requires the State to provide \$3,250 per student being sent to a Secondary Vocational Area Centers. During the special session there was not an appropriation passed to authorize the Department to pay the school districts in FY05. As a result, no base level appropriation could be established.

The Executive Recommendation provides for Agency Request plus an additional \$196,523 for FY06 and \$361,086 for FY07.

Alternative Learning - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level plus an additional \$359,531 for FY06 and \$633,014 for FY07.

General Facilities Funding - This funding is formula-based (A.C.A §6-20-303 (12)) and may only be used for the purchase of school buses, furniture, equipment, computer software, renovation or repairs of existing facilities, or repayment of commercial bonds or revolving loans.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Isolated Funding - Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Student Growth Funding - Student Growth Funding is a formula driven program (A.C.A § 6-20-303 (26)) that provides supplemental funding to school districts that have a growth in students over the previous school year. For the 2004-05 school year, student growth funding will be calculated as \$5,400 multiplied by the increase, if any, in the district's two-quarter average of the ADM of the current school year over the district's ADM for the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level plus an additional \$728,494 for FY06 and \$1,282,635 for FY07.

Debt Service Funding Supplement- This aid is provided to school districts in order to offset some of the existing debt burdens that the district has incurred and increase the amount of local revenue available for the maintenance and operation of schools. Those districts that qualify for Debt Service Funding Supplements receive funding based upon the amount of required debt payment, number of students, and wealth (A.C.A. §6-20-13(7)). Debt Service Supplement Funds are to be used solely for the payment of bonded debt.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Department of Correction - A.C.A §12-29-30 et. Seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

Base Level for the biennium is \$4,027,675 each year. The Agency Request is \$988,630 each year and consists of \$520,000 each year for personnel, supplies, equipment and textbooks for the expansion of the Ouachita River Correctional Unit, as well as the four units of the Department of Community Correction and \$468,630 each year to move the employer contribution amounts currently paid for Teacher Retirement Matching and Public School Employees Insurance for the employees of

the school district of the Department of Correction to the basic support line item appropriation authorized to the Department of Education for the Department of Correction. The ADE currently pays the Teacher Retirement and Health Insurance Matching for the ADC School District. The ADE is requesting a shift of those matching cost to the appropriate agency. A corresponding reduction has been made in the Retirement Matching and Public School Employees Insurance appropriations within the Public School Fund budget.

The Executive Recommendation provides for Agency Request.

Residential Centers/Juvenile Detention - This is a special education program to provide reimbursement to school districts for educational costs associated with students in approved residential treatment facilities or juvenile detention centers.

Base Level is \$8,686,108 each year and the agency requests an additional \$2,698,374 each year. The appropriation has been underfunded since dual cuts of 8.4 percent and 10 percent were applied during the 2001-03 biennium. The funding levels requested for the 2005-07 biennium restore these reductions to accommodate actual program usage and take into account the \$5,400 Foundation Funding amount upon which, by State Board rule, the reimbursement formulas are based.

The Executive Recommendation provides for Agency Request.

Consolidation Incentive - These are additional funds provided to schools created as a result of consolidation of existing school districts. The incentive is unrestricted and may be used at the discretion of the local school district.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Pygmalion Commission - This grant to the Pygmalion Commission on Nontraditional Education is to develop alternative learning environments and provide changes in curriculum, instructional approaches, school climate, and organization to improve educational outcomes for at-risk students.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Cooperative Education Technology Centers Operations - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases, and overseeing technology laboratories. This program provides grants of \$50,000 to each of the State's 15 Education Service Cooperatives.

Base Level for the biennium is \$750,000 each year. The Agency Request is for \$50,000 each year to provide a Technology Coordinator for the three Pulaski County school districts. Under the Desegregation Settlement Agreement the Department is required to provide the three Pulaski County School Districts the same services as other school districts in the state. This service has not been

provided in previous years.

The Executive Recommendation provides for Base Level.

Teacher Retirement Matching - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

Base Level is \$4,200,000 each year. The Agency Request is to eliminate this line item and move the amounts currently paid for the Teacher Retirement Matching employer contribution for the employees of the Cooperative Education Services Areas (\$2,955,282) the school operated by the Department of Correction (\$353,867), and Arkansas Easter Seals (\$28,876) from the Teacher Retirement Matching line item to the basic support line item appropriations authorized for these organizations. The reduction requested for amounts being paid for Vocational Centers (\$861,975) will be requested by the Department of Workforce Education.

This request is being made because the Department cannot control the number of or salaries paid to employees at the various entities that are covered under the Special Language. By shifting the costs to the appropriate agency the Department will not be responsible for costs that it cannot control. The Department is requesting that the Special Language authorizing the use of this line item also be discontinued.

The Executive Recommendation provides for Agency Request.

National Board of Professional Teaching Standards - A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

Base Level for the biennium is \$1,420,000 each year. The Agency Request is for an additional \$760,000 in FY06 and \$1,260,500 in FY07. Act 1803 of 2003 increased the annual bonus for those teachers with a National Board of Professional Teaching Standards certification from \$4,000 to \$5,000 starting in FY06. In addition, the number of certifications continues to increase. The request will fund the required bonus increase and a projected increase of 100 additional certified teachers.

The Executive Recommendation provides for Agency Request.

Advanced Placement Incentive - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. There are five aspects to the program (1) payments of \$45 toward the cost of exam fees for students of economic need, (2) payments of \$50 for each exam over two for students not of economic need, (3) payments of \$50 to schools for each score of 3 or better on exams, (4) awards of \$1,000 for equipment and materials for AP courses, and (5) support for professional development for AP and Pre-AP teachers.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Safety Training - A.C.A § 6-20-1700 outlines the requirements for a high cost transportation funding formula. The Safety Training component pays \$70 for each school bus driver and \$350 for each bus mechanic to attend annual workshops, \$70 plus mileage for in-service bus driver training, and \$150 for local instructor programs.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Criminal Background Checks - This program provides \$125,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Arkansas Easter Seals - This program, begun in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services and also qualifies the facility as "state supported" so that federal funds are available to further reduce the cost to local school districts.

The Base Level is \$193,113 each year. The Agency requests an additional \$28,876 each year. The Change Level request is to move the employer contribution amounts currently paid for Teacher Retirement Matching for the employees of Arkansas Easter Seals to the basic support line item appropriation authorized to the Department of Education for Arkansas Easter Seals.

The Executive Recommendation provides for Agency Request.

Public School Employee Insurance - This program pays the health insurance contribution rate established by the State Board of Education for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction.

Basel Level is \$1,106,500 each year. The Agency requests to eliminate this line item and move the amounts currently paid for the Public School Employees Insurance employer contribution for the employees of the Cooperative Education Services Areas (\$806,579) the school operated by the Department of Correction (\$114,763), and from the Public School Employees Insurance line item to the basic support line item appropriations authorized for these organizations. The reduction requested for amounts being paid for Vocational Centers (\$185,158) will be requested by the Department of Workforce Education.

This request is being made because the Department cannot control the number of or salaries paid to

employees at the various entities that are covered under the Special Language. By shifting the costs to the appropriate agency the Department will not be responsible for costs that cannot be controlled. The Department is also requesting that the Special Language authorizing the use of this line item be discontinued.

The Executive Recommendation provides for Agency Request.

School Food Services - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Surplus Commodities - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Grants to School Districts - These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, and it would require a round trip of more than 35 miles.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Workers' Compensation - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage. This appropriation will gradually decrease as old claims are paid off.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

School Food- Legislative Audit - This is a fund transfer up to \$100,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Gifted and Talented - This program provides funding for AGATE (Arkansans for Gifted and Talented Education), salary support for 15 Gifted and Talented supervisors in the Cooperatives, and the Governor's School.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

School Worker Defense - This program provides for claims and legal fees for liability suits against school personnel.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Assessment/End of Level Testing - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. By July 1, 2006 the testing program must be in place for grades three through eight (Act 35 2nd Extraordinary Session of 2003 amended A.C.A. §6-15-404 to include all grades 3-8). It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11).

Base Level for the biennium is \$21,610,250 each year. The Agency Request is for \$2,052,497 in FY07 for anticipated increases in the number of tests, grades being tested and inflationary costs. The increase in FY07 will cover the addition of Benchmark and End-of-Course exams for Science.

The Executive Recommendation provides for Agency Request.

Court Ordered Desegregation - This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

Base Level is \$57,012,500 each year and the Agency Request is for \$1,648,466 in FY06 and \$3,375,578 in FY07.

The request consists of a projected increase of 4% each year in the Magnet and Majority to Minority payments and a slight reduction for the declining requirement of the Camden Fairview Desegregation Settlement.

The Executive Recommendation provides for Agency Request.

Intervention Block Grants - This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Serious Offender Program - Serious Offender Units for juveniles are operated by the Department of Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. The funds then flow to the provider in the district. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatly, and Dermott school districts.

Base Level for the biennium is \$724,000 each year. The Agency requests an additional \$104,056 each year. The increases are a result of the \$5,400 Foundation Funding amount upon which, by State Board rule, the reimbursement formula is based. A projected total of 153 Serious Offender slots can be funded within the appropriation for each year of the biennium.

The Executive Recommendation provides for Agency Request.

Better Chance Program - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Special Education Services - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Human Development Center Education Aid - This program provides funding for educational services to the children in the State's Human Development Centers.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Education Service Cooperatives - The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

Base Level for the biennium is \$5,839,270 each year. The Change Level request is for \$2,851,860 each year and consists of the following:

- (1) \$3,761,860 is requested for each year to move the employer contribution amounts currently paid for Teacher Retirement Matching (\$2,955,282) and Public School Employees Insurance (\$806,578) for the employees of the Cooperative Education Services Areas to the basic support line item appropriation authorized for the Education Service Cooperatives. This request is being made because the Department cannot control the number of employees or salaries paid to the employees at the various entities that are covered under the Special Language. The Department is also requesting that the Special Language authorizing the use of this line item be discontinued.
- (2) A reduction of \$910,000 is requested each year of the biennium. Act 85 of the 2nd Extraordinary Session of 2003, provided one-time funding to the Department of Education for the payment of a bonus for teachers in special settings for employees of the Educational Services Cooperatives. This amount was added to the FY05 line item budget for the Educational Services Cooperatives. Since this was one-time funding, it is appropriate that this amount be reduced from the appropriation.

The Executive Recommendation provides for Agency Request.

Early Childhood Special Education - This program provides special education services through 15 school districts, 2 school district consortia, and the 15 Education Service Cooperatives for an estimated 10,000 three to five year old preschool children with disabilities. This program also serves as state Medicaid match for physical, occupational, and speech therapy services.

Base Level for the biennium is \$7,498,454 each year. The Agency Request is for an additional \$1,201,546 in FY06 and \$2,501,546 in FY07.

The additional amount requested represents a need to stabilize Early Childhood Special Education programs in the areas of competitive salaries, teacher recruitment and retention, and appropriate preschool instructional materials.

The Executive Recommendation provides for Agency Request.

Distance Learning - The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

Teacher Licensure/Mentoring - This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. To date, there have been 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III performance assessment is also a component of the Induction program. Praxis III is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Appropriation / Program Summary

Appropriation / Program: PSF Public School Fund
Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Smart Start Promo	5090028	0	0	50,000	0	0	0	0	0	0
Tech Grants	5100004	1,599,108	1,602,678	2,187,575	1,602,678	1,602,678	1,602,678	1,602,678	1,602,678	1,602,678
Poverty Index	5100004	4,696,329	0	0	0	0	0	0	0	0
Rev Loss Fund	5100004	3,762,789	0	0	0	0	0	0	0	0
Non-Trad Licensure	5100004	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Economic Education	5100004	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Teacher Housing Dev	5100004	200,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Distance Learn Oper	5100004	0	5,831,400	5,831,400	5,831,400	5,831,400	5,831,400	5,831,400	5,831,400	5,831,400
Secondary Vocational Area Cntr	5100004	0	0	0	0	10,475,000	10,671,523	0	11,512,000	11,873,086
Add Base Funding	5100004	49,502,397	0	0	0	0	0	0	0	0
Incentive Funding	5100004	30,281,930	0	0	0	0	0	0	0	0
St Equal Funding	5100004	1,453,627,594	0	0	0	0	0	0	0	0
Grants to Sch Distr	5100004	46,958	35,000	47,000	35,000	35,000	35,000	35,000	35,000	35,000
Intervention Blk Grn	5100004	132,000	132,000	632,000	132,000	132,000	132,000	132,000	132,000	132,000
Better Chance Prgm	5100004	11,604,815	51,166,500	53,410,500	51,166,500	51,166,500	51,166,500	51,166,500	51,166,500	51,166,500
Smart Start/Step	5900046	6,461,815	6,461,815	12,263,248	6,461,815	7,181,815	7,181,815	6,461,815	7,181,815	7,181,815
English Language Learners	5900046	4,637,250	3,736,795	8,741,400	3,736,795	4,852,000	4,934,138	3,736,795	5,242,000	5,392,180
At Risk	5900046	1,366,344	1,490,500	1,500,000	1,490,500	1,490,500	1,490,500	1,490,500	1,490,500	1,490,500
Spec Ed-Catastrophic	5900046	1,000,000	8,800,000	9,800,000	8,800,000	8,800,000	8,800,000	8,800,000	8,800,000	8,800,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Tech Improvements	5900046	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Distressed District	5900046	163,473	300,000	160,000	300,000	300,000	300,000	300,000	300,000	300,000
Poverty Index	5900046	0	0	8,500,000	0	0	0	0	0	0
Home Sch Test	5900046	50,000	50,000	50,000	50,000	150,000	100,000	50,000	150,000	100,000
Rev Loss Fund	5900046	0	0	4,000,000	0	0	0	0	0	0
Content & Curriculum	5900046	0	0	0	100,000	100,000	100,000	0	0	0

DEPARTMENT OF EDUCATION - 0500

Dr. Ken James, Director

Commitment Item		2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Leadership Academy	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
St Foundation Fund	5900046	0	1,735,000,000	1,760,751,092	1,735,000,000	1,735,000,000	1,749,525,788	1,735,000,000	1,735,000,000	1,751,953,814
Natl School Lunch	5900046	0	133,420,320	132,146,400	133,420,320	133,420,320	135,951,822	133,420,320	133,420,320	137,877,451
Prof Develop Fund	5900046	0	22,419,371	22,251,515	22,419,371	22,419,371	22,419,371	22,419,371	22,419,371	22,419,371
Supplemental Millage	5900046	0	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Academic Improv Trng	5900046	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Content Standards	5900046	0	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Intensive School Sup	5900046	0	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
Teacher Recruitment	5900046	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Alternative Learning	5900046	2,999,897	19,100,000	18,914,438	19,100,000	19,100,000	19,459,531	19,100,000	19,100,000	19,733,014
Gen Fac Funding	5900046	9,010,621	8,108,762	18,115,181	8,108,762	8,108,762	8,108,762	8,108,762	8,108,762	8,108,762
Isolated Funding	5900046	8,048,522	7,896,000	17,776,387	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Student Growth	5900046	32,801,338	38,849,946	64,291,748	38,849,946	38,849,946	39,578,440	38,849,946	38,849,946	40,132,581
Add Base Funding	5900046	0	0	48,557,770	0	0	0	0	0	0
Debt Srvs Funding	5900046	27,607,670	27,464,629	57,035,288	27,464,629	27,464,629	27,464,629	27,464,629	27,464,629	27,464,629
Dept of Correction	5900046	4,027,675	4,027,675	4,037,222	4,027,675	5,016,305	5,016,305	4,027,675	5,016,305	5,016,305
Res Ctrs/Juv Detent	5900046	8,686,108	8,686,108	8,767,108	8,686,108	11,384,482	11,384,482	8,686,108	11,384,482	11,384,482
Consol Incentive	5900046	1,888,568	1,520,000	3,000,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Incentive Funding	5900046	0	0	28,373,000	0	0	0	0	0	0
St Equal Funding	5900046	0	0	1,595,570,000	0	0	0	0	0	0
Pygmalion Comm	5900046	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Coop Educ Tech Ctrs	5900046	750,000	750,000	750,000	750,000	800,000	750,000	750,000	800,000	750,000
Teacher Ret Match	5900046	3,512,765	4,200,000	3,515,000	4,200,000	0	0	4,200,000	0	0
Natl Bd Prof Teach	5900046	866,711	1,420,000	874,000	1,420,000	2,180,000	2,180,000	1,420,000	2,680,500	2,680,500
Adv Place Incentive	5900046	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Safety Training	5900046	744,121	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Crim Bckgrnd Checks	5900046	52,956	125,000	200,000	125,000	125,000	125,000	125,000	125,000	125,000
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	221,989	221,989	193,113	221,989	221,989
Pub Sch Emp Ins	5900046	877,976	1,106,500	1,203,500	1,106,500	0	0	1,106,500	0	0
Sch Food Services	5900046	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Surplus Commodities	5900046	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000
Worker's Comp	5900046	0	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Sch Food-Leg Audit	5900046	78,390	75,000	100,000	75,000	75,000	75,000	75,000	75,000	75,000
Gifted & Talented	5900046	1,292,096	1,292,896	1,292,896	1,292,896	1,292,896	1,292,896	1,292,896	1,292,896	1,292,896

DEPARTMENT OF EDUCATION - 0500

Dr. Ken James, Director

Commitment Item		2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Sch Worker Defense	5900046	326,392	390,000	390,000	390,000	390,000	390,000	390,000	390,000	390,000
Assess/End Level Testing	5900046	4,612,737	21,610,250	24,413,258	21,610,250	21,610,250	21,610,250	21,610,250	23,662,747	23,662,747
Court Ordered Deseg	5900046	53,818,593	57,012,500	89,600,000	57,012,500	58,660,966	58,660,966	57,012,500	60,388,078	60,388,078
Serious Offender	5900046	806,000	724,000	807,000	724,000	828,056	828,056	724,000	828,056	828,056
Spec Educ Services	5900046	4,101,887	4,145,285	4,220,285	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285
Human Dev Ctr Ed Aid	5900046	526,150	526,150	663,000	526,150	526,150	526,150	526,150	526,150	526,150
Educ Service Coops	5900046	4,929,270	5,839,270	4,929,270	5,839,270	8,691,130	8,691,130	5,839,270	8,691,130	8,691,130
Early Childhood Spec	5900046	6,270,459	7,498,454	6,298,454	7,498,454	8,700,000	8,700,000	7,498,454	10,000,000	10,000,000
Distance Learning	5900046	3,497,693	3,500,000	1,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Teacher Licen/Mentor	5900046	5,361,237	5,902,258	8,299,000	5,902,258	5,902,258	5,902,258	5,902,258	5,902,258	5,902,258
Total		1,761,731,747	2,221,701,175	4,054,800,048	2,221,801,175	2,239,236,688	2,257,560,664	2,221,701,175	2,246,143,797	2,269,881,657
Funding Sources										
Fund Balance	4000005	10,757,764	32,945,130		6,842,490	6,842,490	6,842,490	4,952,350	6,842,490	3,607,600
General Revenue	4000010	1,578,645,290	1,574,114,309		1,574,214,309	1,598,632,896	1,601,969,029	1,574,114,309	1,603,812,893	1,606,723,076
Court Ordered Desegregation	4000180	53,818,593	32,800,000		57,012,500	58,660,966	58,660,966	57,012,500	60,388,078	60,388,078
Dist Learning Operating Grants	4000190	0	5,831,400		5,831,400	0	0	5,831,400	0	0
Educational Adequacy Fund	4000210	700,000	421,513,197		421,513,197	421,513,197	421,513,197	421,513,197	421,513,197	421,513,197
Education Coop Teacher Bonus	4000215	0	910,000		910,000	0	0	910,000	0	0
Educational Excellence Fund	4000220	155,067,116	163,399,629		163,399,629	163,399,629	175,152,582	163,399,629	163,399,629	182,741,632
Excise Tax on Beer	4000230	8,100,000	8,100,000		8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Transfer DOE Public School Fun	4000525	(15,361,989)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transfer from General Imprv	4000540	15,103	0		0	0	0	0	0	0
Trnsfr DOE Public School Fund	4000625	3,800,000	0		0	0	0	0	0	0
Transfer to General Education	4000630	(865,000)	(865,000)		(865,000)	(865,000)	(865,000)	(865,000)	(865,000)	(865,000)
Transit Tax	4000700	0	910,000		910,000	910,000	910,000	910,000	910,000	910,000
Total Funding		1,794,676,877	2,228,543,665		2,226,753,525	2,246,079,178	2,261,168,264	2,224,763,385	2,252,986,287	2,272,003,583
Excess Appropriation/(Funding)		(32,945,130)	(6,842,490)		(4,952,350)	(6,842,490)	(3,607,600)	(3,062,210)	(6,842,490)	(2,121,926)
Grand Total		1,761,731,747	2,221,701,175		2,221,801,175	2,239,236,688	2,257,560,664	2,221,701,175	2,246,143,797	2,269,881,657

Change Level by Appropriation

Appropriation / Program: 057-Smart Start/Step

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	6,461,815	0	6,461,815	100.0	6,461,815	0	6,461,815	100.0
C01	Existing Program	720,000	0	7,181,815	111.1	720,000	0	7,181,815	111.1

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	6,461,815	0	6,461,815	100.0	6,461,815	0	6,461,815	100.0
C01	Existing Program	720,000	0	7,181,815	111.1	720,000	0	7,181,815	111.1

Justification

C01	The additional appropriation and funding will provide for an increase of \$10,000 in grants to Educational Services Cooperatives to employ 72 Math and Literacy Specialist. There has not been an increase in the grant since the program began. Because the state funded salary is lower than that paid at the local school districts there is a large turnover in the staffing. In addition this will become more of an issue with the new state minimum salary schedule for certified staff. Also, the state funded positions are twelve-month positions while most school district positions are on a nine-month contract. The increase will allow the state to compete for well qualified applicants.
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Change Level by Appropriation

Appropriation / Program: 082-English Language Learners

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	3,736,795	0	3,736,795	100.0	3,736,795	0	3,736,795	100.0
C01	Existing Program	1,115,205	0	4,852,000	129.8	1,505,205	0	5,242,000	140.2

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	3,736,795	0	3,736,795	100.0	3,736,795	0	3,736,795	100.0
C01	Existing Program	1,115,205	0	4,852,000	129.8	1,505,205	0	5,242,000	140.2
C19	Executive Changes	82,138	0	4,934,138	132.0	150,180	0	5,392,180	144.3

Justification

C01	Act 59 of the Second Extraordinary Session of 2003, requires the State to fund english language learners at \$195 per ADM. In addition, the State must also provide specialized training to those teachers that work with the students. Those students with limited english proficiency are projected to increase by 2,000 per year. The additional funding is necessary to fund those students and the required training.
C19	The Executive Recommendation is to increase the English Language Learners program by \$82,138 for FY06 and \$150,180 for FY07.

Change Level by Appropriation

Appropriation / Program: 150-Home Sch Test

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	100,000	0	150,000	300.0	100,000	0	150,000	300.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	50,000	0	100,000	200.0	50,000	0	100,000	200.0

Justification

C01	The ADE must fund the testing of home schooled students. In the 2nd Extraordinary Session of 2003 additional testing requirements were passed. Home school testing has been expanded from 3 grades to 6 grades and ADE must purchase new testing booklets.
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Change Level by Appropriation

Appropriation / Program: 2HP-St Foundation Fund

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,735,000,000	0	1,735,000,000	100.0	1,735,000,000	0	1,735,000,000	100.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,735,000,000	0	1,735,000,000	100.0	1,735,000,000	0	1,735,000,000	100.0
C19	Executive Changes	14,525,788	0	1,749,525,788	100.8	16,953,814	0	1,751,953,814	100.9

Justification

C19	The Executive Recommendation is to increase the State Foundation Fund by \$14,525,788 for FY06 and \$16,853,814 for FY07.
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Change Level by Appropriation

Appropriation / Program: 2HR-Natl School Lunch

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	133,420,320	0	133,420,320	100.0	133,420,320	0	133,420,320	100.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	133,420,320	0	133,420,320	100.0	133,420,320	0	133,420,320	100.0
C19	Executive Changes	2,531,502	0	135,951,822	101.9	4,457,131	0	137,877,451	103.3

Justification

C19	The Executive Recommendation is to increase the National School Lunch program by \$2,531,502 for FY06 and \$4,457,131 for FY07.
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Change Level by Appropriation

Appropriation / Program: 2KW-Secondary Vocational Area Cntrs

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level	2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
C02 New Program	10,475,000	0	10,475,000	100.0	11,512,000	0	11,512,000	100.0

Executive Recommendation

Change Level	2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
C02 New Program	10,475,000	0	10,475,000	100.0	11,512,000	0	11,512,000	100.0
C19 Executive Changes	196,523	0	10,671,523	101.8	361,086	0	11,873,086	103.1

Justification

C02	Act 59 of the 2nd Extraordinary Session of 2003 requires the State to provide \$3,250 per student being sent to a Secondary Vocational Area Centers. During the special session there was not an appropriation passed to authorize the ADE to pay the school districts in FY05. The ADE will submit a request for a FY05 supplemental appropriation during the regular session of the General Assembly. As a result a Base Level appropriation could not be established. Therefore, this request is for the total program cost. The program was funded from the new revenues raised during that session.
C19	The Executive Recommendation is to increase Secondary Vocational Area Centers by \$196,523 for FY06 and \$361,086 for FY07.

Change Level by Appropriation

Appropriation / Program: 311-Alternative Learning

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	19,100,000	0	19,100,000	100.0	19,100,000	0	19,100,000	100.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	19,100,000	0	19,100,000	100.0	19,100,000	0	19,100,000	100.0
C19	Executive Changes	359,531	0	19,459,531	101.8	633,014	0	19,733,014	103.3

Justification

C19	The Executive Recommendation is to increase Alternative Learning by \$359,531 for FY06 and \$633,014 for FY07.
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Change Level by Appropriation

Appropriation / Program: 332-Student Growth

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	38,849,946	0	38,849,946	100.0	38,849,946	0	38,849,946	100.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	38,849,946	0	38,849,946	100.0	38,849,946	0	38,849,946	100.0
C19	Executive Changes	728,494	0	39,578,440	101.8	1,282,635	0	40,132,581	103.3

Justification

C19	The Executive Recommendation is to increase the Student Growth program by \$728,494 for FY06 and \$1,282,635 for FY07.
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Change Level by Appropriation

Appropriation / Program: 380-Dept of Correction

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	4,027,675	0	4,027,675	100.0	4,027,675	0	4,027,675	100.0
C01	Existing Program	988,630	0	5,016,305	124.5	988,630	0	5,016,305	124.5

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	4,027,675	0	4,027,675	100.0	4,027,675	0	4,027,675	100.0
C01	Existing Program	988,630	0	5,016,305	124.5	988,630	0	5,016,305	124.5

Justification

C01	The Arkansas Department of Correction School District is defined by state law as a Local Education Agency. The ADE provides funding to the ADC School District to provide K-12 education programs. Additional funding is need for personnel, supplies, equipment and textbooks for the expansion of the Ouachita River Correctional Unit, as well as the four units of the Department of Community Correction. This request is to move the employer contribution amounts currently paid for Teacher Retirement Matching (Appr. 437) and Public School Employees Insurance (Appr. 446) for the employees of the school district of the Department of Correciion to the basic support line item appropriation authorized to the Department of Education for the Department of Correction.
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Change Level by Appropriation

Appropriation / Program: 394-Res Ctrs/Juv Detent

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	8,686,108	0	8,686,108	100.0	8,686,108	0	8,686,108	100.0
C01	Existing Program	2,698,374	0	11,384,482	131.0	2,698,374	0	11,384,482	131.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	8,686,108	0	8,686,108	100.0	8,686,108	0	8,686,108	100.0
C01	Existing Program	2,698,374	0	11,384,482	131.0	2,698,374	0	11,384,482	131.0

Justification

C01	This appropriation reimburses school district educational costs for non-disabled and disabled children placed in approved 24-hour residential facilities, including county-based Juvenile Detention Centers and public and privately-operated drug/alcohol and psychiatric treatment centers. The appropriation has been underfunded since dual cuts of 8.4 percent and 10 percent were applied during the 02-03 Biennium. The funding levels indicated for the 06-07 Biennium restore these reductions to accommodate actual program usage and take into account the \$5,400 Foundation Funding Amount upon which, by State Board rule, the reimbursement formulas are based.
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Change Level by Appropriation

Appropriation / Program: 434-Coop Educ Tech Ctrs

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	750,000	0	750,000	100.0	750,000	0	750,000	100.0
C01	Existing Program	50,000	0	800,000	106.6	50,000	0	800,000	106.6

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	750,000	0	750,000	100.0	750,000	0	750,000	100.0
C01	Existing Program	0	0	750,000	100.0	0	0	750,000	100.0

Justification

C01	The ADE currently provides \$50,000 per Educational Services Cooperative to fund a Technology Coordinator. Currently the three school districts in Pulaski County are not part of a service cooperative . The additional funding is requested to provide a Technology Coordinator for the three Pulaski County districts.
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Change Level by Appropriation

Appropriation / Program: 437-Teacher Ret Match

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	4,200,000	0	4,200,000	100.0	4,200,000	0	4,200,000	100.0
C03	Discontinue Program	(3,338,025)	0	861,975	20.5	(3,338,025)	0	861,975	20.5
C07	Agency Transfer	(861,975)	0	0	0.0	(861,975)	0	0	0.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	4,200,000	0	4,200,000	100.0	4,200,000	0	4,200,000	100.0
C03	Discontinue Program	(3,338,025)	0	861,975	20.5	(3,338,025)	0	861,975	20.5
C07	Agency Transfer	(861,975)	0	0	0.0	(861,975)	0	0	0.0

Justification

C03	This negative Change Level Request is to move the amounts currently paid for the Teacher Retirement Matching employer contribution for the employees of the Cooperative Education Services Areas, the school operated by the Department of Correction, and Arkansas Easter Seals from the Teacher Retirement Matching line item to the basic support line item appropriations authorized for these organizations.
C07	This negative Change Level Request is to move the Base Level appropriation and funding for the Teacher Retirement Matching employer contribution for the employees of Vocational Centers from the Department of Education to the Department of Workforce Education.

Change Level by Appropriation

Appropriation / Program: 438-Natl Bd Prof Teach

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,420,000	0	1,420,000	100.0	1,420,000	0	1,420,000	100.0
C01	Existing Program	760,000	0	2,180,000	153.5	1,260,500	0	2,680,500	188.7

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,420,000	0	1,420,000	100.0	1,420,000	0	1,420,000	100.0
C01	Existing Program	760,000	0	2,180,000	153.5	1,260,500	0	2,680,500	188.7

Justification

C01	Act 1803 of 2003 increased the annual bonus for those teachers with a National Board of Professional Teaching Standards certification. The bonus was increased from \$4,000 to \$5,000 starting in FY06. In addition, the number of certifications continues to increase. The Change Level request will fund the required increase and fund a projected increase of approximately 100 additional certified teachers.
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Change Level by Appropriation

Appropriation / Program: 445-AR Easter Seals

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	193,113	0	193,113	100.0	193,113	0	193,113	100.0
C01	Existing Program	28,876	0	221,989	114.9	28,876	0	221,989	114.9

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	193,113	0	193,113	100.0	193,113	0	193,113	100.0
C01	Existing Program	28,876	0	221,989	114.9	28,876	0	221,989	114.9

Justification

C01	This request is to move the employer contribution amounts currently paid for Teacher Retirement Matching (Appr. 437) for the employees of Arkansas Easter Seals to the basic support line item appropriation authorized to the Department of Education for the Arkansas Easter Seals.
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Change Level by Appropriation

Appropriation / Program: 446-Pub Sch Emp Ins

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,106,500	0	1,106,500	100.0	1,106,500	0	1,106,500	100.0
C03	Discontinue Program	(921,342)	0	185,158	16.7	(921,342)	0	185,158	16.7
C07	Agency Transfer	(185,158)	0	0	0.0	(185,158)	0	0	0.0

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	1,106,500	0	1,106,500	100.0	1,106,500	0	1,106,500	100.0
C03	Discontinue Program	(921,342)	0	185,158	16.7	(921,342)	0	185,158	16.7
C07	Agency Transfer	(185,158)	0	0	0.0	(185,158)	0	0	0.0

Justification

C03	This negative Change Level Request is to move the amounts currently paid for the Public School Employees Insurance employer contribution for the employees of the Cooperative Education Services Areas, the school operated by the Department of Correction, and Arkansas Easter Seals from the Public School Employees Insurance line item to the basic support line item appropriations authorized for these organizations.
C07	This negative Change Level Request is to move the Base Level appropriation and funding for the Public School Employees Insurance employer contribution for the employees of Vocational Centers from the Department of Education to the Department of Workforce Education.

Change Level by Appropriation

Appropriation / Program: 459-Assess/End Level Testing

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	21,610,250	0	21,610,250	100.0	21,610,250	0	21,610,250	100.0
C01	Existing Program	0	0	21,610,250	100.0	2,052,497	0	23,662,747	109.5

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	21,610,250	0	21,610,250	100.0	21,610,250	0	21,610,250	100.0
C01	Existing Program	0	0	21,610,250	100.0	2,052,497	0	23,662,747	109.5

Justification

C01	This request for the Assessment/End of Level Testing program is needed in the 2007 fiscal year for anticipated increases in the number of tests, grades being tested and inflationary costs.
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Change Level by Appropriation

Appropriation / Program: 460-Court Ordered Deseg

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	57,012,500	0	57,012,500	100.0	57,012,500	0	57,012,500	100.0
C01	Existing Program	1,648,466	0	58,660,966	102.8	3,375,578	0	60,388,078	105.9

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	57,012,500	0	57,012,500	100.0	57,012,500	0	57,012,500	100.0
C01	Existing Program	1,648,466	0	58,660,966	102.8	3,375,578	0	60,388,078	105.9

Justification

C01	This request is for the projected increase in Court Ordered Desegregation costs for the 2005-2007 biennium. It consists of a projected increase of 4% each year in the Magnet and M to M payments and the reduction for the declining settlement requirement for the Camden Fairview Desegregation Settlement.
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Change Level by Appropriation

Appropriation / Program: 566-Serious Offender

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	724,000	0	724,000	100.0	724,000	0	724,000	100.0
C01	Existing Program	104,056	0	828,056	114.3	104,056	0	828,056	114.3

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	724,000	0	724,000	100.0	724,000	0	724,000	100.0
C01	Existing Program	104,056	0	828,056	114.3	104,056	0	828,056	114.3

Justification

C01 This appropriation is used to provide educational services for male and female adolescents placed in Serious Offender Programs operated by the DHS Division of Youth Services. Increases for the 06-07 Biennium take into account the \$5,400 Foundation Funding Amount upon which, by State Board rule, the reimbursement formula is based. A projected total of 153 Serious Offender slots can be funded within the appropriation for each year of the Biennium.

Change Level by Appropriation

Appropriation / Program: 670-Educ Service Coops

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	5,839,270	0	5,839,270	100.0	5,839,270	0	5,839,270	100.0
C01	Existing Program	3,761,860	0	9,601,130	164.4	3,761,860	0	9,601,130	164.4
C03	Discontinue Program	(910,000)	0	8,691,130	148.8	(910,000)	0	8,691,130	148.8

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	5,839,270	0	5,839,270	100.0	5,839,270	0	5,839,270	100.0
C01	Existing Program	3,761,860	0	9,601,130	164.4	3,761,860	0	9,601,130	164.4
C03	Discontinue Program	(910,000)	0	8,691,130	148.8	(910,000)	0	8,691,130	148.8

Justification

C01	This request is to move the employer contribution amounts currently paid for Teacher Retirement Matching (Appr. 437) and Public School Employees Insurance (Appr. 446) for the employees of the Cooperative Education Services Areas to the basic support line item appropriation authorized for the Education Service Cooperatives.
C03	Act 85 of the 2nd Extraordinary Session of 2003, provided one-time funding to the Department of Education for the payment of a bonus for teachers in special settings for employees of the Educational Services Cooperatives. This amount was added to the FY05 line item budget for the Educational Services Cooperatives. Since this was one-time funding, it is appropriate that this amount be reduced from the Base Level for each year of the 2005-2007 biennium.

Change Level by Appropriation

Appropriation / Program: 697-Early Childhood Spec

Funding Sources: JAA-Department of Education Public School Fund Account, Other Funds

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	7,498,454	0	7,498,454	100.0	7,498,454	0	7,498,454	100.0
C01	Existing Program	1,201,546	0	8,700,000	116.0	2,501,546	0	10,000,000	133.3

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	7,498,454	0	7,498,454	100.0	7,498,454	0	7,498,454	100.0
C01	Existing Program	1,201,546	0	8,700,000	116.0	2,501,546	0	10,000,000	133.3

Justification

C01	Consistent with state and federal statutes, schools are required to provide preschool special education and related services to eligible children with disabilities, ages 3 through 5. Until the most recent legislative session, there had been no significant increase in this line item since FY 2000 although Early Childhood Special Education caseloads were growing by 5 percent each year. The additional \$1.2 million for this line item in each year of the 2005-2007 biennium represents a needed first step toward allowing Early Childhood Special Education to regain ground lost over the past five fiscal years. In Arkansas, Early Childhood Special Education is delivered largely on an itinerant basis to children ages 3 through 5 in homes, child care centers, and Head Start programs. It is not unusual for Early Childhood special educators to drive over 100 miles per day several times each week to deliver education and related services. A considerable amount of "deferred maintenance" spending is required to stabilize Early Childhood Special Education programs in the areas of competitive salaries targeting teacher recruitment and retention, appropriate preschool instructional materials, and child find efforts.
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Analysis of Budget Request

Appropriation / Program: 2HY - Educ Renewal Zones

Funding Sources: JAA-Department of Education Public School Fund

Office of Education Renewal Zones - The division shall be responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone shall be to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the state's most academically distressed public schools; provide for collaboration among the state's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 5 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting Base Level for the 2005-2007 biennium.

The Executive Recommendation provides for Base Level.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Appropriation / Program Summary

Appropriation / Program: 2HY Educ Renewal Zones
Funding Sources: JAA-Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	223,070	223,070	229,529	229,529	229,529	236,161	236,161	236,161
#Positions		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	0	62,460	62,460	69,031	69,031	69,031	70,471	70,471	70,471
Operating Expenses	5020002	0	29,700	29,700	29,700	29,700	29,700	29,700	29,700	29,700
Travel-Conference Fees	5050009	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees and Services	5060010	0	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	1,997,230	1,997,230	2,010,260	2,010,260	2,010,260	2,018,332	2,018,332	2,018,332
Funding Sources										
General Revenue	4000010	0	1,997,230		2,010,260	2,010,260	2,010,260	2,018,332	2,018,332	2,018,332
Total Funding		0	1,997,230		2,010,260	2,010,260	2,010,260	2,018,332	2,018,332	2,018,332
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	1,997,230		2,010,260	2,010,260	2,010,260	2,018,332	2,018,332	2,018,332

Analysis of Budget Request

Appropriation / Program: 688 - APSCN

Funding Sources: JAA-Department of Education Public School Fund Account

Arkansas Public School Computer Network (APSCN) - From a non-profit agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 5 Base Level positions. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency Request is for an additional \$2,890,000 in FY06 and \$2,921,500 in FY07 and consists of the following:

- (1) A 5% increase each year is requested for the software maintenance contract. The request is for additional Operating Expenses of \$30,000 in FY06 and \$61,500 in FY07.
- (2) Additional appropriation and funding of \$2,860,000 each year is requested for Data Processing Services. The Department of Information Services has notified the Department, that there will be a new rate structure that must charge all agencies actual rates for the services provided. Two major items that ADE provides to local school districts have not been being charged the proper rates. Internet Email and Email filtering for which the cost is projected to increase approximately \$2.4 million. Processing and server utilization is projected to increase by \$713,000. These additional costs are then offset by (\$253,000) for a rate decrease in other service areas.

The Executive Recommendation provides for Agency Request.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Appropriation / Program Summary

Appropriation / Program: 688 APSCN
Funding Sources: JAA-Department of Education Public School Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,429,992	1,821,379	1,871,629	1,875,472	1,875,472	1,875,472	1,930,963	1,930,963	1,930,963
#Positions		36	45	45	45	45	45	45	45	45
Personal Services Matching	5010003	427,947	546,121	520,667	579,966	579,966	579,966	592,012	592,012	592,012
Operating Expenses	5020002	750,356	1,305,495	1,305,495	1,305,495	1,335,495	1,335,495	1,305,495	1,366,995	1,366,995
Travel-Conference Fees	5050009	4,483	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Professional Fees and Services	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	6,601,424	7,276,424	7,276,424	7,276,424	10,136,424	10,136,424	7,276,424	10,136,424	10,136,424
Capital Outlay	5120011	8,716	0	0	0	0	0	0	0	0
Data Access Implementation	5900046	0	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total		9,222,918	11,756,669	11,781,465	11,844,607	14,734,607	14,734,607	11,912,144	14,833,644	14,833,644
Funding Sources										
General Revenue	4000010	9,222,918	11,756,669		11,844,607	14,734,607	14,734,607	11,912,144	14,833,644	14,833,644
Total Funding		9,222,918	11,756,669		11,844,607	14,734,607	14,734,607	11,912,144	14,833,644	14,833,644
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,222,918	11,756,669		11,844,607	14,734,607	14,734,607	11,912,144	14,833,644	14,833,644

Change Level by Appropriation

Appropriation / Program: 688-APSCN

Funding Sources: JAA-Department of Education Public School Fund Account

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	11,844,607	45	11,844,607	100.0	11,912,144	45	11,912,144	100.0
C08	Technology	2,890,000	0	14,734,607	124.4	2,921,500	0	14,833,644	124.5

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	11,844,607	45	11,844,607	100.0	11,912,144	45	11,912,144	100.0
C08	Technology	2,890,000	0	14,734,607	124.4	2,921,500	0	14,833,644	124.5

Justification

C08	The first Change Level Request consist of a 5% per FY increase in the software maintenance contract totaling \$30,000 in FY06 and \$61,500 in FY07. Second, ADE has been notified by the Department of Information Services of a new rate structure that must charge all agencies actual rates of the services provided. Two major items that ADE provides to local school districts have not been charged the proper rates. Internet Email and Email filtering cost are projected to increase approximately \$2.4 million and processing and server utilization is projected by \$713,000.
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Appropriation / Program Summary

Appropriation / Program: 2GB Consolidation Assist
Funding Sources: JAA-Department of Education Public School Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Consolidation Assist 5900046	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

Appropriation not requested for the 2005-2007 biennium.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Appropriation / Program Summary

Appropriation / Program: 664 Math & Science School
Funding Sources: JAA-Department of Education Public School Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,262,787	0	2,556,223	0	0	0	0	0	0
#Positions		70	0	70	0	0	0	0	0	0
Extra Help	5010001	10,634	0	20,000	0	0	0	0	0	0
#Extra Help		4	0	5	0	0	0	0	0	0
Personal Services Matching	5010003	385,462	0	711,422	0	0	0	0	0	0
Operating Expenses	5020002	788,862	0	1,871,087	0	0	0	0	0	0
Travel-Conference Fees	5050009	4,124	0	52,200	0	0	0	0	0	0
Professional Fees and Services	5060010	186,826	0	410,075	0	0	0	0	0	0
Total		2,638,695	0	5,621,007	0	0	0	0	0	0
Funding Sources										
Educational Excellence Fund	4000220	2,638,695	0		0	0	0	0	0	0
Total Funding		2,638,695	0		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,638,695	0		0	0	0	0	0	0

Appropriation not requested for the 2005-2007 biennium.